BEFORE THE DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

2002/2003 HONG KONG FIFTH-FREEDOM ALL-CARGO FREQUENCY PROCEEDING Docket OST-02-14049

REPLY OF POLAR AIR CARGO, INC. AND APPLICATION FOR ALLOCATION OF FREQUENCIES

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DATED: December 10, 2003

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Federal Express Corporation ("FedEx") and Northwest Airlines, Inc.

("Northwest") have joined Polar in responding to the Evergreen and Kalitta requests for authority to delay Hong Kong-Seoul 5th freedom service. FedEx opposes both requests and seeks a reallocation to itself of all four Evergreen and Kalitta frequencies. Northwest expresses no position about the Evergreen and Kalitta requests but seeks the temporary, interim allocation of one of the four frequencies. Both carriers propose to use the frequencies for Seoul-Hong Kong 5th freedom services.

In response, Polar wishes to clarify that it is prepared to make immediate use of up to four frequencies for 5th freedom service between Hong Kong and Seoul, either on a *pendente lite* or permanent basis, and to the extent necessary hereby applies for an allocation of such frequencies. Both FedEx and Northwest already have more extensive route authority than Polar, and an award to Polar will assure more benefits to consumers than would an award to either FedEx or Northwest. Moreover, while Northwest and FedEx operate Asian regional hubs at Tokyo and Subic Bay, respectively, Polar's Asian

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hub is at Seoul, further assuring Polar's superior ability to put these additional frequencies to use immediately and to continue to use them consistently in the future.

In its answer to the Evergreen and Kalitta applications, Polar urged the Department to deny Evergreen's startup postponement request and to redistribute Evergreen's two frequencies in a carrier selection proceeding. Polar is eager to start using those frequencies pursuant to a permanent or temporary assignment. As it also noted in its answer, because Polar is currently operating flights between Seoul and Hong Kong on which it is not able to carry 5th freedom traffic due to lack of sufficient allocations, Polar could begin using the frequencies it seeks immediately. Furthermore, if the Department follows the course recommended by FedEx and withdraws all four of Evergreen's and Kalitta's Seoul-Hong Kong 5th freedom frequencies, Polar is prepared to operate however many of those frequencies the Department may be willing to reallocate.

Respectfully submitted,

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DATED: December 10, 2003

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the Reply of Polar Air Cargo, Inc.

And Application For Allocation Of Frequencies on all persons named on the attached Service

List by causing copies to be sent via e-mail transmission.

Brenda Gardner

DATED: December 10, 2003

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